



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** James R. Helmer  
Robert L. Davis

**SUBJECT: FINAL REPORT ON PARKING  
SECURITY, CLEANING AND \$5  
PILOT PARKING RATE IN GARAGES**

**DATE:** 12-20-08

Approved

*Paul Keith*

Date

*12/21/07*

**COUNCIL DISTRICT: 3**

## RECOMMENDATION

The City Council approve the following:

- a) Adoption of a resolution to repeal Resolution No. 74183 and amend the Master Parking Rate Schedule to discontinue the \$5 pilot program after 10:00 pm on Thursday, Friday and Saturday evenings; and to authorize the Director of Transportation to accelerate the previously approved January 2010 adjustment of the \$2 flat rate to \$3 after 6 pm at various City parking facilities to January 2009, with increases of \$1 every two years up to a maximum of \$5 by 2013.
- b) Direct staff to provide quarterly updates to the Downtown Parking Board regarding the \$2 flat rate after 6:00 pm, with a formal review of the rate in June 2008 to include the revenues generated, the expenses for continuing the enhanced security and cleaning efforts in various City parking facilities, and the potential impact on Downtown businesses.

## OUTCOME

Approval of this recommendation will allow the City to continue to provide clean, safe and improved parking operations for customers and employees that come to Downtown San Jose, and to increase the contribution to the City's newly created Parking Capital Development Fund.

## EXECUTIVE SUMMARY

The enhanced security, cleaning and \$5 pilot program for City parking garages has been thoroughly evaluated and has achieved its intended results. The garages are significantly cleaner, safer and more secure late night, and incidences of loitering, blatant drinking and urination are down. Customer feedback on the security and cleanliness of parking facilities has

improved. Proactive police patrol resulted in a high incidence of citation issuance early in the pilot program. Later in the pilot program, as improvements began taking hold, inappropriate activity and levels of citation issuance declined. Reported sales tax for 32 Downtown nightclubs/bars showed a slight decline of 1.6%, or \$1,543, when comparing the July to September quarters of 2006 to 2007 (start of pilot). Parking entry activity at the Market and 3<sup>rd</sup> Street Garages declined 39% and 46% when comparing May/June 2007 entries to July through November 2007. The decline can be attributed to the continuing availability of ample free on-street parking within two blocks of both garages, reduced loitering in garages, the \$5 rate replacing free parking after 10 pm, parking activity in private parking facilities, and the general trend of evening parking use being down in 2007 when compared to 2006 for the July to November period.

Even though the revenue generated by the \$5 rate did not meet preliminary projections, it did cover the costs of enhanced security and cleaning leaving a small balance for the Parking Fund. Staff developed three alternative rate scenarios that are listed in the table below:

<b>Rate Alternatives</b>	<b>Projected Revenues</b>	<b>Enhanced Sec/Cln/Ops Expenses</b>	<b>Parking Capital Development Fund Projected Contribution</b>
\$2 Rate	\$750,000	\$650,000	\$100,000
\$2 Rate & \$5 Rate Late Night	\$1,000,000	\$650,000	\$350,000
\$3 Rate	\$1,125,000	\$650,000	\$475,000

Staff recommends proceeding with the \$2 rate in January 2008 as previously approved by City Council, with an accelerated adjustment to \$3 in January 2009 for the following reasons:

- The enhanced security, cleaning and operational effort will continue with the expectation that the results achieved to date will continue
- The \$2 rate will generate sufficient revenues in 2008 to cover the cost of enhanced security, cleaning and operations, and provide for a small contribution to the Parking Capital Development Fund
- Provides the public with one consistent evening rate that is the easiest of the alternatives to understand, market and administer
- Accelerating the adjustment to the \$3 rate from January 2010 to January 2009 will begin generating revenues that will provide for approximately \$475,000 in annual contributions to the Parking Capital Development Fund, and over the long term will generate roughly similar revenue levels as if the \$5 rate were to continue in 2008.

## **BACKGROUND**

At its June 12, 2007 meeting, the City Council and the Redevelopment Agency Board approved the enhanced security plan, enhanced cleaning plan, and a six-month pilot program authorizing a \$5 flat rate after 10 pm on Thursday, Friday and Saturday at five City parking garages located at

Market/St. Pedro, 3<sup>rd</sup> Street, 2<sup>nd</sup>/San Carlos, 4<sup>th</sup>/San Fernando, and the Convention Center. The purpose of the pilot program was to improve the security and cleanliness of the garages, and the customer experience, while deterring loitering and inappropriate activities. The pilot program has generated sufficient revenues to support the enhanced security and cleaning. At the same meeting, the City Council approved the Parking Management Plan Update, including the adjustment of parking rates after 6 pm to \$2 in January 2008, with biennial increases up to a maximum of \$5 in January 2014.

To evaluate the pilot program, staff developed specific measurements to assess its impact. The following measurement categories were included in an Information Memorandum sent to the City Council on June 27, 2007:

1. Parking customer survey feedback on the safety and cleanliness of parking garages
2. Reported incidents of inappropriate/illegal activities (vandalism, loitering, drinking, etc.)
3. Reported sales tax revenue from entertainment venues
4. Late night parking garage entries on Thursdays, Fridays and Saturdays
5. Reported on-street parking occupancy in the Downtown core and adjacent neighborhoods
6. Observations of conditions in and around the garages

At its September 11 and November 20, 2007 meetings, the City Council accepted the first and second status reports on parking security, cleaning, and the \$5 pilot parking rate in garages. The status reports provided an update on all six measurement categories. On December 18, 2007, the City Council extended the \$5 parking rate after 10 pm for one week to January 8, 2008.

## **ANALYSIS**

This section of the report presents the six measurement categories, available “before” and “after” data, and the most current feedback on the impact of the pilot program.

### **1. Parking Customer Survey Feedback**

In mid August through November, staff conducted “after” customer surveys to determine customer perceptions about the safety, security, appearance and cleanliness of parking facilities. The “after” surveys are part of the regular customer survey process and are used as a comparison point with the “before” surveys conducted in April through June of 2007. The following table represents the “before” and “after” customer survey data:

<b>Parking Customer Survey Measurements (5 point scale)</b>		
<b>Market Street Garage</b>		
<b>“Before” (April – June 2007)</b>		<b>“After” (August – November 2007)</b>
	<u>Rating</u>	<u>Rating</u>
Security Presence	2.62	3.31
Feeling of Safety*	n/a	3.64
Appearance and Cleanliness	3.05	3.80
<b>3<sup>rd</sup> Street Garage</b>		
<b>“Before” (April – June 2007)</b>		<b>“After” (August – November 2007)</b>
	<u>Rating</u>	<u>Rating</u>
Security Presence	2.36	3.43
Feeling of Safety*	n/a	3.36
Appearance and Cleanliness	2.75	3.60

The long term goal in terms of customer satisfaction on security, safety, appearance and cleanliness in parking facilities is to raise the ratings to an average of 4 or better on the 5 point scale. The customer survey results indicate that the security and appearance conditions are headed in the right direction with improvements in each measurement category. The average rating for security presence went from 2.49 to 3.37, a 0.88 improvement. The increased rating can be attributed to increased police patrols in the garages, the overall security effort being coordinated by the new Security Services Supervisor, and more visible private security, and operations staff working in the evenings. The average rating for appearance and cleanliness went from 2.90 to 3.70, a 0.80 improvement. The increased rating can be attributed to the enhanced cleaning effort which includes more regular power washing of high traffic areas, late night cleaning teams on Thursday through Saturday nights, refurbished stairwells and more proactive monitoring and cleaning.

## **2. Reported Inappropriate/Illegal Activity and Security Approach**

Resolving security concerns and reducing inappropriate and illegal activity in City parking garages was an urgent priority that staff immediately acted upon after receiving Council approval of the pilot program. A DOT Security Services Supervisor began coordinating the overall security effort on July 1, providing direct security oversight on Thursday, Friday, and Saturday nights, coordinating with the Police Department, Central Parking (the City’s parking operator), and private patrols. Effective July 6, a dedicated Police Parking Security detail commenced patrol of the City’s parking garages from 9:30 pm to 3:30 am on Friday and Saturday nights. The detail included a Sergeant and six officers that patrol the garages to reduce loitering, alcohol consumption, urination, vandalism, and violence. Effective October 5, as part of the original plan, the size of the dedicated Police Parking Security detail was adjusted to a Sergeant and four officers that patrol the garages from 10:00 pm to 3:00 am on Friday and Saturday nights. The

size and patrol hours of the detail was adjusted to match the seasonality of the late night garage usage during the fall and winter and to control costs.

The following tables provide “before” and “after” data related to private security reports, police calls for service, and self-initiated police activity for July to December 2006 and July to November 2007 in the Market and 3<sup>rd</sup> Street Garages respectively.

<b>Reported Inappropriate/Illegal Activity</b>							
<b>“Before”</b>				<b>“After”</b>			
<b>Category</b>	<b>Jul-Sep 2006</b>	<b>Oct-Dec 2006</b>	<b>Total</b>	<b>Category</b>	<b>Jul-Sep 2007</b>	<b>Oct-Nov 2007</b>	<b>Total</b>
<b>Market Street Garage</b>							
Private Security Reports	98	23	121	Private Security Reports	21	16	37
Police Calls for Service	5	3	8	Police Calls for Service	3	10	13
Police Self-initiated	57	53	110	Police Self-initiated	529	220	749
<b>3rd Street Garage</b>							
Private Security Reports	35	8	43	Private Security Reports	41	30	71
Police Calls for Service	5	0	5	Police Calls for Service	6	17	23
Police Self-initiated	66	43	109	Police Self-initiated	235	125	360

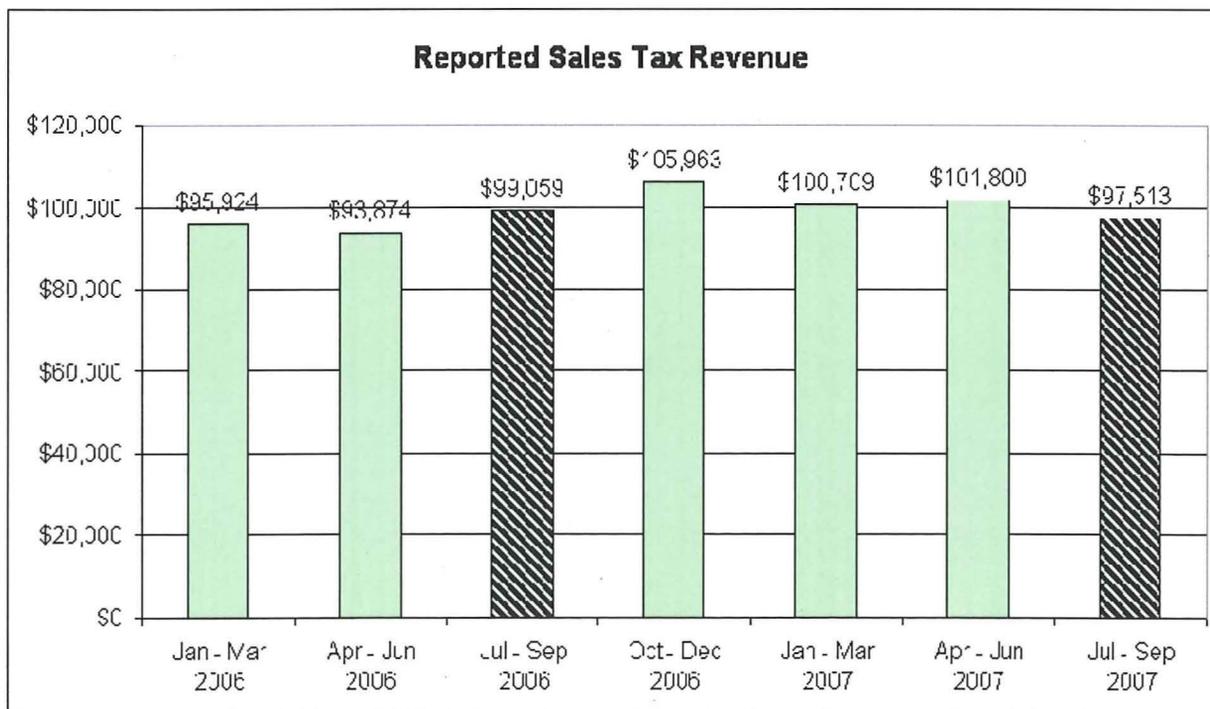
The data for July through November 2007 indicates what is occurring in the Market and 3<sup>rd</sup> Street Garages from a security and inappropriate use standpoint.

- 749 and 360 citations have been issued (or arrests made) in the Market Street Garage and 3<sup>rd</sup> Street Garage respectively. The addition of the dedicated Police Security detail provided the resources to proactively patrol garages throughout the night, as opposed to responding to calls for service or patrolling when time permits. As expected, it has resulted in higher levels of citation issuance and arrests as compared to this time last year, particularly during the first three months of the pilot program.
- The overall level of loitering, inappropriate and violent activity is on the decline when compared to observations made prior to the enhanced security efforts and \$5 rate, resulting in an environment where customers feel more comfortable. Although the numbers of citations issued from July through November for inappropriate activity, such as drinking and urinating in public, has been significant, the size of loitering crowds and the open and blatant nature of inappropriate activity have been curtailed significantly.

- During the months of October and November, 220 and 125 citations were issued (or arrests made) in the Market Street and 3<sup>rd</sup> Street Garages respectively. The numbers are down compared to the first three months of the pilot program, which can be attributed to the seasonality of activity in the garages, the impact of the proactive security effort, and the adjustment in the size of the Police Security detail in the fall. While conditions have improved significantly, it is critical that the progress made during the pilot program be supported and maintained. Staff is constantly monitoring the security deployment to determine the best and most appropriate deployment and resource level. At this point, staff intends to maintain the current fall/winter security deployment through the spring, which is expected to produce an appropriate level of security, while staying within budget. The one area that staff will monitor is any potential increase in loitering that may result if the reduction in the late night rate from \$5 to \$2 is approved.

### 3. Reported Sales Tax Data from Entertainment Venues

Downtown entertainment venues (e.g. nightclubs, bars, etc) have grown considerably over the past few years. The diverse entertainment options attract thousands of visitors every weekend to Downtown San Jose from cities throughout the Bay Area. The \$5 rate was approved as a means to reduce loitering in the garages, and provide the funding to enhance security and cleaning. Concerns were raised by some entertainment venues that the charge may have a negative impact on business, and that it should be monitored. The bar chart below presents sales tax data for the past seven quarters from 32 entertainment venues with 34 active permits and submitted returns from the State Board of Equalization. It represents the City's 1% share of the overall sales tax. The data represents all Downtown nightclubs/bars and is reported in a consistent manner.



The chart above indicates a fairly stable level of reported sales tax over the last seven quarters. The \$5 pilot program rate was implemented at the beginning of the July to September 2007 quarter (the last bar in the chart). Possibly, the most telling comparison are the July to September quarters for 2006 and 2007 because they represent similar seasons and conditions. The reported sales tax data for July to September 2006 was \$99,059 compared to \$97,513 for July to September 2007, which is a slight reduction of \$1,543 or 1.6%. The reduction in sales tax represents an approximate \$154,000 reduction (1.6%) in taxable sales from the 32 businesses.

#### **4. Parking Garage Entries**

This measurement compares the number of entries at the Market and 3<sup>rd</sup> Street Garages, “before” and “after” the rate change. The “before” data represents the average number of vehicle entries for May and June 2007, while the “after” data is for July through November 2007.

	<b>Late Night Parking Garage Entries</b>							
	<b>“Before” (May &amp; June 2007)</b>				<b>“After” (July – November 2007)</b>			
	Thursday	Friday	Saturday	Average	Thursday	Friday	Saturday	Average
<b>Market Street Garage</b>								
9 pm to 10 pm	121	168	162	<b>150</b>	113	161	176	<b>150</b>
10 pm to 12 midnight	501	586	698	<b>595</b>	236	311	429	<b>325</b>
12 midnight to 3 am	93	134	153	<b>127</b>	27	55	77	<b>53</b>
Total	715	888	1,013	<b>872</b>	376	527	682	<b>528</b>
<b>3<sup>rd</sup> Street Garage</b>								
9 pm to 10 pm	42	74	59	<b>58</b>	35	63	61	<b>53</b>
10 pm to 12 midnight	124	311	394	<b>276</b>	43	166	212	<b>140</b>
12 midnight to 3 am	40	99	105	<b>81</b>	9	38	52	<b>33</b>
Total	206	484	558	<b>416</b>	87	266	325	<b>226</b>

After comparing the first five months of the pilot program with the “before” data, the following assessments related to parking entries and parking activity can be made:

- The majority of parking customers continue to arrive between 10 pm and midnight.
- Average entries from 9 pm to 3 am are down 39% percent at the Market Street Garage and 46% percent at the 3<sup>rd</sup> Street Garage. This reduction in entries can be attributed to the continuing availability of ample free on-street parking within a block or two of both garages, reduced loitering in garages, the \$5 rate replacing free parking after 10 pm, parking activity in private parking facilities, and the general trend of evening parking use being down in 2007 when compared to 2006 for the July to November period.
- Comparing entry data on Thursday, Friday and Saturday at the Market Street Garage and 3<sup>rd</sup> Street Garage from 6 pm to 9 pm in 2006 and 2007 (free period in both years) there

was a 7% reduction at the Market Street Garage and a 28% reduction at the 3<sup>rd</sup> Street Garage from 2006 versus 2007 for the months of July through November.

- Comparing on-street parking usage in June 2007 with usage in October 2007 showed a 20% increase in October 2007 within two blocks of the Market Street Garage. No appreciable change was recorded for on-street usage within two blocks of the 3<sup>rd</sup> Street Garage during the comparison period.
- Cruising, destination use, and loitering in garages are down. Staff noticed in the early months of the pilot that certain vehicles that appeared to be cruising choose not to enter garages. When parking was free, the Police Department observed, on a regular basis, that vehicles with numerous people would cruise and/or loiter in the garages. The incidence of large group loitering is down by all accounts.
- One of the goals of the Parking Management Plan is to encourage private parking facilities to remain open evenings and weekends. The \$5 rate, and the \$2 rate (with future increases) makes it more viable for private parking facilities, even those previously open, to build market share and contribute to the supply of parking. Numerous private parking facilities in the downtown core remain open during the evening hours to accommodate entertainment venue customers. Private facilities typically charge a flat rate between \$5 and \$7. Some of the facilities include the San Pedro Square Lot, Valley Title Lot, 60 S. Market Garage, 50 W. San Fernando Garage, and the Victory Lot.

### **Parking Revenues and Expenses of the Pilot Program and Future Projections**

New evening parking rates, developed as part of the Parking Management Plan Update, were designed to increase the amount of funding available for parking capital development, and to make parking facilities cleaner, safer, and more inviting. Actual parking revenues of \$261,000 and expenses related to enhanced security, cleaning and operations of \$243,000 were realized during July through November 2007. The expenses include \$132,000 for enhanced security and \$111,000 for enhanced cleaning and facility operations. Although revenues have fallen below preliminary projections, they have covered the costs associated with the enhanced security and cleaning effort. The current projection through the end of the pilot is for revenues of \$300,000 and expenses of \$286,000.

FY 2007-08 expenses associated with enhanced security, cleaning, and operations are projected to be \$615,000, of which \$294,000 is for enhanced security and \$321,000 for enhanced cleaning and operations. Revenues associated with the \$5 pilot program through December 31, 2007, and the projected revenues from the \$2 rate starting January 2008 through June 30, 2008, is currently estimated to be \$725,000. On an annualized basis for various rate alternatives, the projected Parking Fund revenues and contributions to the Parking Capital Development Fund follow:

Rate Alternatives	Projected Revenues	Enhanced Sec/Cln/Ops Expenses	Parking Capital Development Fund Projected Contribution
\$2 Rate	\$750,000	\$650,000	\$100,000
\$2 Rate & \$5 Rate Late Night	\$1,000,000	\$650,000	\$350,000
\$3 Rate	\$1,125,000	\$650,000	\$475,000

Based upon actual experience and refinement during the pilot program, future annual investments of \$650,000 would be needed to create a level of service consistent with the goals of the Parking Management Plan related to clean, safe and inviting facilities. Revenues exceeding the annual \$650,000 investment are available for parking capital development (e.g. Greyhound). It is important to note that over time, with negotiated labor and operational agreements, costs will likely increase if similar security, cleaning and service levels are to be maintained.

Staff's recommendation to proceed with the \$2 rate only in January 2008, and to adjust to \$3 in January 2009, and biennially thereafter, is based upon the ability to generate roughly similar revenues over the long term, while providing the public with a consistent rate each evening as opposed to rates that would change on Thursday, Friday and Saturday night after 10 pm.

City parking facilities that would charge the \$2 after 6 pm rate are as follows:

- Garages: Market Street, 3<sup>rd</sup> Street, 2<sup>nd</sup> & San Carlos, 4<sup>th</sup> & San Fernando, 4<sup>th</sup> & St John (Fridays and Saturdays only) and Convention Center (non-event days).
- Surface Lots: 2<sup>nd</sup> & San Fernando, 3<sup>rd</sup> & San Fernando, 1<sup>st</sup> & St. James, and 2<sup>nd</sup> & St James.

**5. Reported On-Street Parking Occupancy Downtown and In Adjacent Neighborhoods**

To monitor the potential impact of the \$5 rate on residential neighborhoods adjacent to Downtown, staff collected "before" and "after" on-street parking occupancy data. The geographic boundary for data collection was Julian Street, 6<sup>th</sup> Street, Reed Street and Almaden Blvd. Occupancy data was collected at 10:30 pm to assess whether on-street parking was available when parking was most in demand and the \$5 rate was in effect; and at 1:30 am to determine if consistent occupancies continued late into the evening, potentially resulting in new late night impacts in adjacent residential neighborhoods. The following table presents the "before" and "after" data:

On-Street Parking Occupancy Downtown and Adjacent Neighborhoods			
Day/Time	"Before" June 7, 8 & 9, 2007	"After" Oct. 25, 26 & 27, 2007	Change
Thursday 10:30 pm	70%	73%	+3
1:30 am	48%	48%	0

Day/Time		<u>“Before”</u> June 7, 8 & 9, 2007	<u>“After”</u> Oct. 25, 26 & 27, 2007	Change
Friday	10:30 pm	73%	78%	+5
	1:30 am	46%	37%	-9
Saturday	10:30 pm	82%	80%	-2
	1:30 am	43%	41%	-2

Comparing the “before” data with the “after” data, the following conclusions can be made:

- No significant overall change in on-street parking occupancy resulted from the \$5 rate.
- Free on-street parking near the Market Street and 3<sup>rd</sup> Street Garages is available.
- Staff’s review of block by block street parking usage on a “before” and “after” basis within two blocks of the Market Street Garage shows an increase in use. Out of 449 street parking spaces available near the Market Street Garage, an average of 328 spaces were occupied during the “before” analysis at 10:30 pm and an average of 392 spaces during the “after” analysis, a 20% increase.
- Patrols and observations in adjacent residential neighborhoods revealed no noticeable difference in parking activity, loitering, or other potential neighborhood intrusions.

**6. Observations of Conditions in and Around the Parking Garages**

The sixth measurement area used to assess the impact of the \$5 rate is observed conditions in and around the garages by staff (DOT and Police), the parking operator, and Downtown stakeholders. Although this measurement area is not quantifiable, it provides meaningful insight on the “before” and “after” conditions.

The “before” observations made by staff, members of the Downtown Parking Board, and other customers and stakeholders indicated that significant loitering, public drinking, littering, and public urination was occurring. Although not as frequent, more serious problems such as fights, altercations, and assaults were occurring as well.

The “after” observations made by staff, and the parking operator, during the first five months of the pilot program indicate a significant reduction in large group loitering, excessive littering, and blatant public drinking. In addition, the Police Security detail, and other security patrols, have made a concerted effort to reduce the incidence of public urination, and coupled with new signage, the opening of a restroom facility in the Market Street Garage, and increased cleaning and power washing, has resulted in improvement related to the foul odors present in the garages. The three issues that continue to be the most challenging, and require on-going attention, are public drinking, urination, and avoiding the return of the incidence of physical altercations.

Staff also has observed that the presence of underage youth has significantly declined. Supporting that observation is the fact that very few curfew violations have been issued in the

Market Street and 3<sup>rd</sup> Street Garages since July. Finally, staff has not observed increased or unusual activity in adjacent neighborhoods.

### **Enhanced Cleaning and Maintenance Activities**

Since July, an enhanced cleaning and maintenance effort has been initiated to improve the overall physical condition of the City's parking garages, and to respond to the continuous use, and late night abuse that was being experienced in garages. Some of the efforts are listed below:

- Deployment of a late night cleaning team to remove litter in the evening, and to deal with more significant cleaning needs (e.g. spills, stains, etc.) after late night activities end, resulting in cleaner and more presentable facilities at the beginning of the next day.
- Weekly power washing of stairwells at the Market Street and 3<sup>rd</sup> Street Garages.
- Bi-weekly power washing of lobby/problem areas at the Market and 3<sup>rd</sup> Street Garages.
- Painted and refurbished stairwells and restrooms at the Market Street Garage.
- Painted and refurbished lobby areas at the 3<sup>rd</sup> Street Garage.
- Improved signage to better communicate with the parking customers.

### **POLICY ALTERNATIVES**

#### ***Alternative 1: Continue the \$5 rate after 10 pm on Thursday, Friday and Saturday***

**Pros:** The \$5 rate provides a more significant deterrent than the \$2 rate against loitering and cruising in the City's parking garages. The \$5 rate when combined with the \$2 rate would generate \$250,000 in additional revenue in 2008 that could build the fund balance in the parking capital development fund at faster rate in the short term.

**Cons:** Does not provide the public with one consistent rate each evening as opposed to rates that would change on Thursday, Friday and Saturday night after 10 pm, which may cause some confusion to customers.

**Reason for not recommending:** Given the enhanced security, cleaning and operations effort can be continued and funded with the \$2 rate, and over the long term the staff recommendation on rates generates about the same level of revenue, no long term fiscal advantage exists. Furthermore, one consistent rate each evening avoids any potential confusion that may occur with customers.

#### ***Alternative 2: Discontinue the \$5 rate and accelerate \$3 rate after 6 pm to January 2008***

**Pros:** The \$3 rate provides a more of a deterrent than the \$2 rate against loitering and cruising in the City's parking garages. The \$3 rate would generate \$375,000 in additional revenue in 2008 that could build the fund balance in the parking capital development fund at faster rate in the short term, and better position the fund from a debt financing perspective.

**Cons:** Not consistent with the previously supported rate of \$2 after 6 pm in January 2008 by Downtown stakeholders. Evening parking has been free for approximately nine years and a measured introduction of paid evening parking that the \$2 represents has the best chance to gain full acceptance by customers and visitors to Downtown.

**Reason for not recommending:** See cons above.

## **CONCLUSION**

The enhanced security, cleaning and \$5 pilot program has achieved its intended results. The garages are significantly safer and more secure late night, and incidences of loitering, blatant drinking, and urination are down. Even though the revenue generated by the \$5 rate did not meet preliminary projections, it did cover the costs of enhanced security and cleaning leaving a small balance for the Parking Fund. Staff has fully analyzed all aspects of the evening and late night parking program, including all alternatives for proceeding forward. With that analysis complete, the following conclusions support the staff recommendation of proceeding with the \$2 rate in January 2008, with an accelerated adjustment to \$3 in January 2009:

- The enhanced security, cleaning and operational effort will continue with the expectation that the results achieved to date will continue
- The \$2 rate will generate sufficient revenues in 2008 to cover the cost of enhanced security, cleaning and operations, and provide for a small contribution to the Parking Capital Development Fund
- Provides the public with one consistent evening rate that is the easiest of the alternatives to understand, market and administer
- Accelerating the adjustment to the \$3 rate from January 2010 to January 2009 will begin generating revenues that will provide for approximately \$475,000 in annual contributions to the Parking Capital Development Fund, and over the long term will generate roughly similar revenue levels as if the \$5 rate were to continue in 2008.

## **EVALUATION AND FOLLOW-UP**

Staff will report to the Downtown Parking Board on a quarterly basis in 2008 on the \$2 rate, including revenues generated, expenses of the on-going security and cleaning effort, and any potential impacts to Downtown business, with a formal review in June 2008.

## **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

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- ✓ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

During the six-month pilot program staff submitted two status reports to City Council and provided monthly updates to the Downtown Parking Board. Staff presented the final report on the six-month pilot program to the Downtown Parking Board on December 19, 2007. The Parking Board approved staff's recommendation on a 5 to 1 vote to discontinue the \$5 late night rate, implement the \$2 rate as previously approved after 6 pm, and to accelerate the \$3 parking fee to January 1, 2009 instead of 2010, and to adjust to \$4 in January 2011 and \$5 in January 2013. The Downtown Parking Board requested receive quarterly updates on the \$2 flat rate in 2008, including its potential impact on business, and a formal review in the June 2008, prior to the adjustment of the \$3 rate in January 2009. The San Jose Downtown Association is in support of the above recommendation.

### COORDINATION

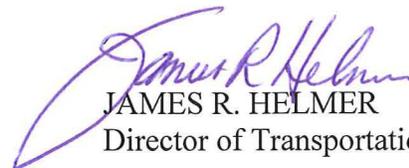
This memorandum has been coordinated with the City Attorney's Office, Redevelopment Agency, and the Finance Department.

### COST SUMMARY/IMPLICATIONS

The revenues generated by the program are covering the costs of the enhanced services and provide increasing levels of funding for the new Parking Capital Development Fund.

### CEQA

Not a project

  
JAMES R. HELMER  
Director of Transportation

  
ROBERT L. DAVIS  
Chief of Police

For questions please contact Jim Ortbal, Assistant Director of Transportation, at 535-3845 and Dan Katz, Deputy Chief of Police at 277-4715.